

with Medicare threatening to enact the cuts deemed appropriate by the SGR formula and Congress averting the fee cuts one year after another.

As of January 1 of next year, physician fees will be cut by 5 percent. In my view, this is causing understandable concern in the medical community. I hear on a daily basis from physicians, both within and without my State of New Mexico, that these cuts will adversely affect patient care and access. I have no reason to doubt that statement. The Albuquerque Journal in my home State of New Mexico reports that the proposed cuts will cost New Mexico doctors \$12 million in 2007 alone. Presbyterian Health Plan president David Scrase believes the cuts will result in closer to \$32 million in cuts.

I believe this chart which was just put up here makes the point I am trying to make very well. It is labeled "Crisis in Medicare Physician Payments." The black line, which is going up, as everyone can see, is the increase we have seen in the cost of medical practice in the last 5 years. We can see very clearly that continues. It is a relentless increase. The red line is physician payment updates under Medicare. We can see those have been declining and are scheduled for a substantial decline in 2007 again.

What I am trying to say is Congress needs to step in and at least keep this line flat, at least hold physicians harmless in this 5 percent cut. I hope we are able to do even more than that. In my view, these reductions will result in access problems for Medicare patients across the Nation. Cuts such as these, along with the yearly uncertainty of whether the reduction will be implemented, make long-term planning for small to medium physician practices almost impossible.

In addition to the financial stresses of potential decreases in Medicare payments, physicians are being asked to adopt expensive health information technologies to improve the quality of medical care. This is a lot to expect from even large health systems, much less smaller physician groups.

If the Medicare cuts go into effect—and all expert advice I have received leads me to believe they will—there will be access problems encountered by Medicare beneficiaries. But what may be even equally problematic are the other measures physicians will be forced to take to compensate for this cut. I am talking about the reduction of staff, forgoing health insurance for their employees, and delaying implementation of new technologies. All of these are substantial new burdens we are putting on physicians operating their medical practices throughout our country.

Where does this leave us? I believe we need to act both in the short term and in the long term. Congress needs to take immediate action to halt the scheduled 5 percent cut. I hope this can occur before this week is over. Over the

long term, we need to find solutions to continue to provide quality care to Medicare beneficiaries as well as fair payment to physicians for their work. That is not going to be easy.

Frankly, we are going to have to rethink this whole SGR system we adopted nearly a decade ago, and we are going to have to find ways to have a fair formula that provides a fair level of compensation. In my opinion, this is a priority. It is something that has been the subject of intense negotiations between House and Senate Members in the last few days. I understand that. I hope reason will prevail and that we can come out with a solution that makes sense for seniors in this country and for those who depend upon the Medicare system for their health care.

Finding long-term solutions to continue to provide quality care to Medicare beneficiaries as well as fair payment to physicians for their work will require effort and collaboration between lawmakers and the medical community. Earlier this year I introduced legislation that I believe is part of the solution. Because part of the payment that Medicare makes to physicians is based upon geographic location, physicians in rural parts of the country are paid less than those in more urban areas. This known as the geographic practice cost indices, or GPCIs. Congress determined that such extensive geographic disparities were unfair and, as part of the Medicare Modernization Act of 2003, language from one of my bills was included that brought all geographic areas up to the national average for the calculation of this piece of the Medicare physician payment formula. This year I introduced legislation to extend this law. We should extend this law before Congress adjourns and, at the very least prevent the cuts that are set to occur at the end of the year.

To do less is to fail in our responsibility to the million of Americans who depend on Medicare.

EMERGENCY WILDFIRE SUPPRESSION FUNDING

Mr. BINGAMAN. Mr. President, I would like to speak about the problem of funding for wildfire suppression. This is an issue that particularly affects us in the West. We have a looming train wreck with regard to emergency wildfire suppression funding.

This year, wildfires burned a record of more than 9.5 million acres, most of that in the West. The wildfires are still burning out of control in southern California, where five more houses burned this weekend.

Federal wildfire-fighting expenditures also set a record at nearly \$2 billion in fiscal year 2006. That was more than twice what was appropriated for that fiscal year. When the cost of suppressing wildfires exceeds what has been appropriated, the agencies spend what they have been appropriated for

the fiscal year and the amount that has been provided to them in emergency supplemental appropriations. This year, they also spent \$500 million from what is called the emergency wildfire reserve account and an additional \$110 million which they had to borrow from other accounts. Congress has not repaid any of that money as of yet. There is \$610 million that has not been repaid to this wildfire reserve account and to the other accounts from which the Forest Service has had to borrow.

Those agencies, particularly the Forest Service, have been left short. They are financially unprepared for even an average wildfire year in 2007. As we begin to look forward into next year, we are faced with a very severe problem. In addition to the proposed 2007 appropriations, the agencies will need about \$835 million if they are to maintain recent levels of financial preparedness. If the continuing resolution goes into effect, as we are advised it is likely to, the numbers are likely to get even worse.

I filed an amendment to the Agriculture appropriations bill to begin to address the problem by providing \$360 million in emergency wildfire suppression funding for the Departments of Agriculture and Interior. That amendment was sponsored by many of my colleagues on both sides of the aisle. Senator BURNS filed a similar amendment to the Military Construction bill. But it is apparent that neither of those bills will get to the President for signature this year.

We have an enormous need for wildfire suppression funding and no clear way to address it. I urge my colleagues to find a way to address it before we leave at the end of this week. Providing some additional funds to these agencies for this purpose is essential. I believe it will be unfortunate if this Congress adjourns leaving those agencies in the financial straits which they are in. I know there are many agencies across the Federal Government which are going to encounter great difficulty in carrying on these activities if we adopt a continuing resolution, as is being proposed, but this particular area of wildfire suppression funding is one that deserves particular attention.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

PHYSICIAN PAYMENTS

Ms. STABENOW. Mr. President, I rise to speak, as my colleague from New Mexico has spoken so eloquently, about a very serious issue we have to address before we leave for the year. Once again, I rise to speak about the urgency of providing our Nation's physicians with the resources they need to provide high-quality Medicare services to our seniors and people with disabilities. As my colleague indicated, this is something of the utmost importance that needs to be addressed now. There